

Message Text

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22

ACTION EA-09

INFO OCT-01 AF-06 ARA-06 EUR-12 NEA-10 ISO-00 FEA-01

ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00

EB-07 FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05

OMB-01 PM-04 USIA-06 SAM-01 OES-06 SP-02 SS-15 STR-04

TRSE-00 /126 W

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P R 150943Z APR 76

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC PRIORITY 3874

INFO AMEMBASSY ALGIERS

AMEMBASSY ABU DHABI

USINT BAGHDAD

AMEMBASSY BEIRUT

AMEMBASSY CARACAS

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY KUALA LUMPUR

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY QUITO

AMEMBASSY SINGAPORE

AMEMBASSY TEHRAN

AMEMBASSY TOKYO

AMEMBASSY TRIPOLI

AMEMBASSY VIENNA

USMISSION OECD PARIS UNN

USMISSION EC BRUSSELS

AMCONSUL MEDAN

AMCONSL SURABAYA

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E.O. 11652: GDS

TAGS: ENRG, ID

SUBJECT: GOI-CALTEX REACH AGREEMENT

1. EMBASSY HAS JUST RECEIVED TEXT OF DEPT. OF MINES PRESS RELEASE ON GOI-CALTEX AGREEMENT. STATEMENT WAS ISSUED FOLLOWING VISITS ON MORNING APRIL 15 BY CALTEX CHAIRMAN TAHJA AND CALTEX SHAREHOLDERS' REP MARTIN TO PRESIDENT SUHARTO AND MINMINES SADLI, RESPECTIVELY. AGREEMENT IS CONTAINED IN LETTER SUBMITTED TO SADLI WHICH ACCEDES TO GOI'S BASIC REQUEST FOR ADDITIONAL DOLLAR PER BARREL IN REVENUE, RETROACTIVE TO JANUARY 1. DISCUSSIONS WILL FOLLOW ON SPECIAL ADJUSTMENTS TO HELP CALTEX SELL CRUDE IN "DISTANT" WESTERN HEMISPHERE MARKETS. FORMAL AGREEMENT WILL BE DRAFTED AND SIGNED UPON COMPLETION THESE FURTHER DISCUSSIONS. SHAREHOLDERS' REP MARTIN REPORTED SADLI EXPRESSED HIS SINCERE APPRECIATION TO COMPANY FOR ITS COOPERATION.

2. FOLLOWING IS TEXT OF PRESS RELEASE (EMBASSY PARAPHRASE OF SOMEWHAT CONFUSING INDONESIAN LANGUAGE VERSION). IT SHOULD BE READ IN CONJUNCTION WITH OUR PREVIOUS REPORTING.

TODAY (15 APRIL 1976) CALTEX HAS EXPRESSED ITS WILLINGNESS TO MEET ITS FISCAL OBLIGATIONS TO THE GOI AND, IN ACCORDANCE WITH INDONESIAN DESIRES, WILL PAY AN ADDITIONAL US \$1.00 PER BARREL ON ALL LIFTINGS DURING THE FIRST QUARTER OF 1976 OVER AND ABOVE ITS REGULAR CONTRACT OF WORK REQUIREMENTS. THE GOI AND CALTEX WILL CONTINUE WITH THEIR NEGOTIATIONS. THE GOI IS PREPARED TO DISCUSS SPECIAL ADJUSTMENTS FOR CRUDE DELIVERIES TO DISTANT MARKETS, NAMELY THE EASTERN PART OF THE USA, (I.E., TO WHAT EXTENT GREATER FREIGHT COSTS, AND POSSIBLY OTHER REQUIRMENTS SHOULD BE TAKEN INTO ACCOUNT AND CALCULATED), SO THAT THE ADDITIONAL GOVERNMENT TAKE OF US \$1.00 PER BARREL CAN BE ADJUSTED TO THESE REQUIREMENTS ON DISTANT MARKETS. NEWSOM

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